

# NAHEFFA

National Association of Health and Education Facilities Finance Authorities

June 19, 2008

The Honorable Barney Frank  
Chairman House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

Re: Support for your "Municipal Bond Fairness" Legislation

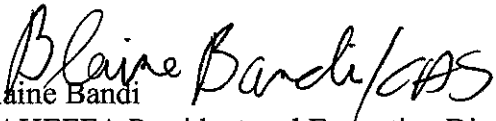
Dear Mr. Chairman:

The National Association of Health and Education Facilities Finance Authorities, including the Massachusetts Health and Educational Facilities Authority, represents approximately 30 statewide issuers of tax exempt bonds which finance nonprofit health and educational facilities.

We applaud your introduction of legislation which we understand would make significant reforms in bond ratings, bond insurance, and enhance the ability for corporations to purchase tax exempt bonds. In particular, we applaud your interest in liberalizing the restrictive so-called "bank deductibility" provisions which inhibit local community banks from purchasing the bonds from the small college or hospital across the street. Because our members issue for a number of facilities across their states, the language we understand you will offer allowing an election to apply the exemption at the borrower level is critical. This provision will be well used for low cost financing for small but valuable charities which have modest financing needs and are of little interest to Wall Street and the national investment community.

NAHEFFA stands ready to support your legislation in any way and we commend its introduction.

Respectfully submitted,

  
Blaine Bandi  
NAHEFFA President and Executive Director  
Arizona Health Facilities Authority

cc: Benson T. Caswell, Executive Director  
Massachusetts Health and Educational Facilities Authority

Peter Roberson, Senior Policy Advisor  
Committee on Financial Services/U.S. House of Representatives

James Segel, Counsel